

103^D CONGRESS
1ST SESSION

H. R. 2707

To establish the Community Development Fund, to promote community development lending by financial institutions in economically distressed areas, to authorize the Federal Home Loan Bank System to engage in activities to satisfy housing finance and community development needs that are not being met, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JULY 22, 1993

Mr. FLAKE (for himself, Mr. LEACH, Mr. FRANK of Massachusetts, Mr. LAFALCE, Mr. RIDGE, Mr. WYNN, Mrs. ROUKEMA, Mr. WATT, Mr. BAKER of Louisiana, and Ms. ROYBAL-ALLARD) introduced the following bill; which was referred jointly to the Committees on Banking, Finance and Urban Affairs and Small Business

A BILL

To establish the Community Development Fund, to promote community development lending by financial institutions in economically distressed areas, to authorize the Federal Home Loan Bank System to engage in activities to satisfy housing finance and community development needs that are not being met, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 This Act shall be cited as the “Bank Enterprise Act
3 Amendments of 1993”.

4 **SEC. 2. FINDINGS AND PURPOSES.**

5 (a) FINDINGS.—The Congress finds the following:

6 (1) Many small- and medium-size businesses,
7 low- to moderate-income individuals and economi-
8 cally distressed areas lack adequate access to credit
9 and private capital.

10 (2) Community development is most productive
11 when neighborhood residents and merchants, non-
12 profit organizations, local government officials, and
13 private lenders cooperate to create a more positive
14 physical, financial and market environment which
15 encourages and supports private investment and re-
16 investment.

17 (3) The best way to address problems of de-
18 pressed economies in inner cities, rural areas, and
19 other underserved communities is by empowering
20 local residents through technical assistance and mar-
21 ket incentives for pooling local resources.

22 (4) There is a need to provide existing regu-
23 lated financial institutions with incentives to provide
24 these groups with adequate access to credit and pri-
25 vate capital without compromising safety and sound-
26 ness.

1 (5) There is a need to encourage all private sec-
2 tor institutions, including community development
3 banks, community development corporations, com-
4 munity development credit unions and small busi-
5 ness investment corporations to provide these groups
6 with adequate access to credit and private capital
7 without the creation of an additional Federal bu-
8 reaucracy and without exposing taxpayers to unnec-
9 essary risk.

10 (6) There is a need for the Administration to
11 complete implementing guidelines for existing initia-
12 tives, such as the Bank Enterprise Act, designed to
13 provide these groups with adequate access to credit
14 and private capital.

15 (b) PURPOSE.—The purpose of this Act is to provide
16 small- and medium-sized businesses, low- and moderate-
17 income individuals and economically distressed areas with
18 adequate access to credit and private capital by providing
19 incentives to regulated financial institutions and other pri-
20 vate sector institutions.

1 **TITLE I—BANK ENTERPRISE ACT**
2 **ENHANCEMENTS**

3 **SEC. 101. COMMUNITY DEVELOPMENT FUND.**

4 (a) IN GENERAL.—The Bank Enterprise Act (12
5 U.S.C. 1834 et seq.) is amended by adding at the end
6 the following new sections:

7 **“SEC. 235. COMMUNITY DEVELOPMENT FUND.**

8 “(a) IN GENERAL.—There is hereby established the
9 Community Development Fund (hereafter in this section
10 referred to as the ‘Fund’).

11 “(b) ADMINISTRATION OF FUND.—

12 “(1) IN GENERAL.—The Fund shall be adminis-
13 tered by the Community Enterprise Assessment
14 Credit Board (hereafter in this section referred to as
15 the ‘Board’).

16 “(2) STANDARDS AND PROCEDURES.—The
17 Board shall establish standards and procedures for
18 administering the Fund, processing and reviewing
19 applications for financial and technical assistance,
20 and providing oversight for the expenditure of
21 money from the Fund and for projects funded by the
22 Fund.

23 “(3) NATIONAL INFORMATION CLEARING-
24 HOUSE.—The Fund shall establish and maintain an
25 information clearinghouse in coordination with the

1 Departments of Agriculture, Commerce, and Hous-
2 ing and Urban Development, the Small Business Ad-
3 ministration, other Federal agencies, and community
4 development financial institutions—

5 “(A) to cause to be collected, compiled,
6 and analyzed information pertinent to commu-
7 nity development financial institutions that will
8 assist in creating, developing, expanding, and
9 preserving these institutions; and

10 “(B) to cause to be established a service
11 center for comprehensive information on finan-
12 cial, technical and management assistance, case
13 studies of the activities of community develop-
14 ment financial institutions, regulations, and
15 other information that may be useful to pro-
16 mote the purpose of this Act.

17 “(4) POWERS.—The Board shall have such
18 powers as may be necessary for the Board, in the
19 Board’s status as a Federal agency, to administer
20 the Fund and carry out the purposes of this section.

21 “(5) REGULATIONS.—The Board may prescribe
22 such regulations and issue such orders as the Board
23 may determine to be appropriate to administer the
24 Fund and carry out the purposes of this section.

1 “(c) PURPOSES OF FUND.—Amounts in the Fund
2 shall be available to—

3 “(1) support a program of making investments
4 in and providing assistance to community develop-
5 ment financial institutions that will provide greater
6 economic opportunity in qualified distressed commu-
7 nities;

8 “(2) provide financial and technical assistance
9 to community development financial institutions; and

10 “(3) operate a national information clearing-
11 house described in subsection (b)(3).

12 “(d) AUTHORIZATION OF APPROPRIATIONS.—

13 “(1) FUND.—There are authorized to be appro-
14 priated to the Fund to carry out this section
15 \$30,000,000 for fiscal year 1994, \$52,000,000 for
16 fiscal year 1995, \$53,500,000 for fiscal year 1996,
17 and \$55,500,000 for fiscal year 1997.

18 “(2) BOARD.—There are authorized to be ap-
19 propriated to the Board to carry out this subtitle
20 (other than this section) \$30,000,000 for fiscal year
21 1994, \$52,000,000 for fiscal year 1995,
22 \$53,500,000 for fiscal year 1996, and \$55,500,000
23 for fiscal year 1997.

24 “(e) DEFINITIONS.—For purposes of this section—

1 “(1) COMMUNITY DEVELOPMENT FINANCIAL IN-
2 STITUTION.—The term ‘community development fi-
3 nancial institution’—

4 “(A) means any bank, savings association,
5 credit union, depository institution holding com-
6 pany or affiliate of such company,
7 microenterprise development fund, community
8 development corporation, community develop-
9 ment revolving loan fund, or other depository or
10 nondepository organization which—

11 “(i) promotes the provision of capital,
12 credit, or development services in qualified
13 distressed communities; and

14 “(ii) the Board finds provides the
15 same or greater community participation
16 in the activities of the institution or orga-
17 nization as are required under section
18 234(b) for a community development bank;
19 and

20 “(B) does not include an agency or instru-
21 mentality of the United States or an agency or
22 instrumentality of any State or political subdivi-
23 sion of any State.

24 “(2) BANK, SAVINGS ASSOCIATION, DEPOSITORY
25 INSTITUTION HOLDING COMPANY, AND AFFILIATE.—

1 The terms ‘bank’, ‘savings association’, ‘depository
2 institution holding company’, and ‘affiliate’ have the
3 meaning given to such terms in section 3 of the Fed-
4 eral Deposit Insurance Act.

5 “(3) CREDIT UNION.—The term ‘credit union’
6 means any State or Federal credit union (as defined
7 in section 101 of the Federal Credit Union Act).

8 “(4) DEVELOPMENT SERVICES.—The term ‘de-
9 velopment services’ means activities conducted by a
10 community development financial institution which
11 promote community development by developing, sup-
12 porting, and strengthening the lending, investment,
13 and capacity-building activities undertaken by insti-
14 tutions, including—

15 “(A) business planning services;

16 “(B) financial and credit counseling serv-
17 ices;

18 “(C) marketing and management assist-
19 ance; and

20 “(D) administrative activities associated
21 with lending or investment.

22 “(5) INSURED COMMUNITY DEVELOPMENT FI-
23 NANCIAL INSTITUTION.—The term ‘insured commu-
24 nity development financial institution’—

1 “(A) means any community development
2 financial institution which is an insured deposi-
3 tory institution; and

4 “(B) any insured credit union which has
5 been designated as low-income by the National
6 Credit Union Administration.

7 “(6) INSURED CREDIT UNION.—The term ‘in-
8 sured credit union’ has the same meaning given to
9 such term in section 101(7) of the Federal Credit
10 Union Act.

11 “(7) INSURED DEPOSITORY INSTITUTION.—The
12 term ‘insured depository institution’ has the mean-
13 ing given to such term in section 3(c) of the Federal
14 Deposit Insurance Act.

15 “(8) QUALIFIED DISTRESSED COMMUNITY.—
16 The term ‘qualified distressed community’ has the
17 meaning given to such term in section 233(b).

18 “(9) STATE.—The term ‘State’ has the mean-
19 ing given to such term in section 3 of the Federal
20 Deposit Insurance Act.

21 **“SEC. 236. APPLICATIONS FOR ASSISTANCE FROM FUND.**

22 “(a) FORM AND PROCEDURES.—An application for
23 assistance under section 235 shall be submitted by an ap-
24 plicant in such form and in accordance with such proce-
25 dures as the Board shall establish.

1 “(b) MINIMUM REQUIREMENTS.—The Board shall
2 require that the application—

3 “(1) demonstrate to the satisfaction of the
4 Board that the applicant is, or upon the receipt of
5 a charter will be, a community development financial
6 institution;

7 “(2) demonstrate that the applicant will serve a
8 qualified distressed community;

9 “(3) in the case of an applicant that has pre-
10 viously received assistance from the Fund, dem-
11 onstrate that the applicant—

12 “(A) has successfully carried out the appli-
13 cant’s responsibilities with respect to such as-
14 sistance;

15 “(B) has become or is about to become an
16 entity that will not be dependent upon assist-
17 ance from the Fund for continued viability; and

18 “(C) will expand the applicant’s operations
19 into a new qualified distressed community, offer
20 new services, or will increase the volume of its
21 current business;

22 “(4) in the case of a community development fi-
23 nancial institution with existing operations, dem-
24 onstrate a record of success of serving a qualified
25 distressed community;

1 “(5) include a detailed and comprehensive stra-
2 tegic plan for the organization that contains—

3 “(A) a business plan of at least 5 years
4 that demonstrates the applicant is properly
5 managed and has the capacity to form and op-
6 erate a community development financial insti-
7 tution that is, or will become, an entity that will
8 not be dependent upon assistance from the
9 Fund for continued viability;

10 “(B) a statement that the applicant has,
11 or will have, in the applicant’s charter or other
12 governing documents a commitment to commu-
13 nity development, or other evidence of a prior
14 history and a continuing affirmation of a com-
15 mitment of community development;

16 “(C) an analysis of the needs of the quali-
17 fied distressed community and a strategy for
18 how the applicant will attempt to meet those
19 needs;

20 “(D) a plan to coordinate use of assistance
21 from the Fund with existing Federal, govern-
22 ment-sponsored enterprise, and State and local
23 assistance programs, and private sector finan-
24 cial services;

1 “(E) a statement that the proposed activi-
2 ties of the applicant are consistent with existing
3 economic, community and housing development
4 plans adopted by or applicable to the qualified
5 distressed community;

6 “(F) a description of how the applicant
7 will affiliate, network, or otherwise coordinate
8 with a full range of community organizations
9 and financial institutions which provide, or will
10 provide, capital, credit, or secondary markets in
11 order to assure that banking, economic develop-
12 ment, investment, affordable housing, and other
13 related services will be available within the
14 qualified distressed community; and

15 “(G) such other information as the Board
16 considers to be appropriate for inclusion in the
17 strategic plan;

18 “(6) demonstrate that the applicant will carry
19 on the applicant’s activities consistent with the pur-
20 poses of the assistance provided by the Fund within
21 the qualified distressed community;

22 “(7) include a detailed and specific statement of
23 applicant’s plans and likely sources of funds to
24 match the amount of assistance from the Fund with

1 funds from private sources in accordance with the
2 requirements of section 238(e); and

3 “(8) include such other information as the
4 Board may require.

5 **“SEC. 237. SELECTION OF INSTITUTIONS.**

6 “(a) IN GENERAL.—The Board shall, in the Board’s
7 discretion, select applications that meet the requirements
8 of section 236 and award assistance from the Fund in ac-
9 cordance with section 238.

10 “(b) SELECTION CRITERIA.—In selecting applica-
11 tions, the Board shall consider applications based on fac-
12 tors established by the Board which shall include the fol-
13 lowing criteria:

14 “(1) The likelihood of success of the applicant
15 in forming and operating a community development
16 financial institution.

17 “(2) The range and comprehensiveness of the
18 capital, credit, and development services to be pro-
19 vided by the applicant.

20 “(3) The extent of the need, as measured by
21 objective criteria of distress, within the qualified dis-
22 tressed community for the types of activities pro-
23 posed by the applicant.

24 “(4) The likelihood that the proposed activities
25 will benefit a significant portion of the qualified dis-

1 tressed community or, in the case of a community
2 development financial institution with existing oper-
3 ations, evidence of the applicant's record of success
4 in serving a qualified distressed community.

5 “(5) The extent to which the applicant will con-
6 centrate the applicant's activities on serving low and
7 very low-income families.

8 “(6) The evidence of the extent of a broad
9 cross-section of support from the qualified distressed
10 community.

11 “(7) The experience and background of the pro-
12 posed management team.

13 “(8) The amount of legally enforceable commit-
14 ments available at the time of application to meet or
15 exceed the matching requirements under section
16 238(e) and the strength of the plan for raising the
17 balance of the match.

18 “(9) In the case of applicants that have pre-
19 viously received assistance from the Fund, the extent
20 to which they have met or exceeded the performance
21 goals applicable with respect to such assistance.

22 “(10) The extent to which the proposed activi-
23 ties will expand the employment base within the
24 qualified distressed community.

1 “(11) The extent to which the applicant is, or
2 will be, community-owned or community-governed.

3 “(12) Whether the applicant is, or will become,
4 an insured community development financial institu-
5 tion.

6 “(13) Whether the applicant is, or will be lo-
7 cated, in a qualified distressed community.

8 “(14) In the case of an institution that is not
9 an insured community development financial institu-
10 tion, the extent to which the institution has or will
11 have the ability to increase the applicant’s resources
12 through affiliation with a secondary market, insured
13 depository institution, or other financial
14 intermediary in order to multiply the amount of cap-
15 ital or credit available for community development.

16 “(15) In the case of an insured depository insti-
17 tution or insured credit union applicant, whether the
18 institution—

19 “(A) has or will have a substantial affili-
20 ation with an entity or network of entities that
21 are community development financial institu-
22 tions; and

23 “(B) has a comprehensive plan for provid-
24 ing meaningful financial assistance to such an
25 entity or network of entities.

1 “(c) FAIR DISTRIBUTION OF FUNDING.—In addition
2 to the criteria described in subsection (b), the Board, in
3 making selections under this section, shall seek to provide
4 a fair distribution of funding among—

5 “(1) a geographically diverse group of appli-
6 cants, which shall include applicants from
7 nonmetropolitan and rural areas;

8 “(2) various types of community development
9 financial institutions; and

10 “(3) community development financial institu-
11 tions of various sizes (as determined on the basis of
12 total assets).

13 **“SEC. 238. ASSISTANCE PROVIDED BY THE FUND.**

14 “(A) IN GENERAL.—

15 “(1) PROMOTION OF HOSPITABLE ENVIRON-
16 MENT FOR DEVELOPMENT AND GROWTH.—The
17 Fund shall work to promote an environment hos-
18 pitable to business information, economic growth,
19 community development, and affordable housing in
20 qualified distressed communities.

21 “(2) COORDINATION OF ACTIVITIES.—The
22 Fund shall coordinate activities of the Fund with
23 other Federal agencies and other community and
24 economic development programs.

1 “(3) PURPOSE OF ASSISTANCE.—Assistance
2 may be provided to—

3 “(A) an existing qualified community de-
4 velopment financial institution to—

5 “(i) expand the institution’s activities
6 to serve any qualified distressed commu-
7 nity not currently served by another quali-
8 fied community development financial in-
9 stitution receiving assistance under this
10 section; and

11 “(ii) expand the volume of the institu-
12 tion’s activities consistent with the pur-
13 poses of the Fund;

14 “(B) from a new entity to undertake ac-
15 tivities consistent with the purposes of the
16 Fund; or

17 “(C) to assist an existing entity to modify
18 the entity’s structure or activities in order to
19 undertake activities consistent with the pur-
20 poses of the Fund.

21 “(b) TYPES OF ASSISTANCE.—

22 “(1) IN GENERAL.—

23 “(A) FINANCIAL ASSISTANCE.—The Fund
24 may provide financial assistance to qualified
25 community development financial institutions

1 through equity investments, loans, deposits,
2 membership shares, and grants.

3 “(B) TECHNICAL ASSISTANCE.—The Fund
4 may provide technical assistance, including
5 training, and grants for technical assistance to
6 qualified community development financial in-
7 stitutions.

8 “(C) ALLOCATION OF ASSISTANCE.—The
9 allocation of awards of assistance between in-
10 sured and uninsured community development fi-
11 nancial institutions shall be in the discretion of
12 the Board, except that due consideration shall
13 be given to the allocation of funds to insured
14 community development financial institutions.

15 “(2) LIMITATIONS ON EQUITY INVESTMENTS.—

16 “(A) 50 PERCENT OF EQUITY MAXIMUM.—
17 The Fund shall structure financial assistance to
18 a qualified community development financial in-
19 stitution in such a manner that the Fund does
20 not own more than 50 percent of the equity of
21 such institution after providing such assistance
22 and does not control the operations of such in-
23 stitution.

24 “(B) COORDINATION WITH OTHER
25 LAWS.—The Fund shall not be deemed to con-

1 trol any institution in which the Fund has an
2 equity investment for the purposes of any appli-
3 cable Federal or State law.

4 “(C) LIMITATION ON FORM OF EQUITY.—

5 In the case of equity investments, the Fund
6 shall hold only transferable, nonvoting invest-
7 ments, except that the security representing any
8 such equity investment may provide for convert-
9 ibility to working stock upon transfer of the se-
10 curity by the Fund.

11 “(3) DEPOSITS.—Notwithstanding any other
12 provision of law, deposits made pursuant to this sec-
13 tion in qualified insured community development fi-
14 nancial institutions shall not be subject to any re-
15 quirement for collateral or security.

16 “(4) LIMITATIONS ON OBLIGATIONS.—Direct
17 loan obligations may be incurred only to the extent
18 that appropriations of budget authority to cover
19 their costs, as defined in section 502 of the Congres-
20 sional Budget Act of 1974, are made in advance.

21 “(c) PURPOSE OF FINANCIAL ASSISTANCE.—Finan-
22 cial assistance made available under this section may be
23 used by assisted institutions to develop or support—

1 “(1) commercial facilities that enhance revital-
2 ization, community stability, or job creation and re-
3 tention efforts;

4 “(2) business creation and expansion efforts
5 that—

6 “(A) create or retain jobs for low-income
7 people;

8 “(B) enhance the availability of products
9 and services to low-income people; or

10 “(C) create or retain businesses owned by
11 low-income people or residents of a qualified
12 distressed community;

13 “(3) community facilities that provide benefits
14 to low-income people or enhance community stabil-
15 ity;

16 “(4) the provision of basic financial services to
17 low-income people or residents of a qualified dis-
18 tressed community;

19 “(5) the provision of development services;

20 “(6) home ownership opportunities that are af-
21 fordable to low-income households;

22 “(7) rental housing that is principally afford-
23 able to low-income households; and

24 “(8) other activities deemed appropriate by the
25 Fund.

1 “(d) AMOUNT OF ASSISTANCE.—

2 “(1) IN GENERAL.—The Fund may provide up
3 to \$5,000,000 of assistance per application to any
4 one qualified insured community development finan-
5 cial institution and up to \$2,000,000 per application
6 to any other qualified community development finan-
7 cial institution.

8 “(2) AUTHORITY OF BOARD TO SET MINIMUM
9 AMOUNTS.—The Board shall have the authority to
10 set minimum amounts of assistance from the Fund
11 per institution.

12 “(e) MATCHING REQUIREMENTS.—

13 “(1) IN GENERAL.—Assistance provided to
14 qualified insured community development financial
15 institutions, other than deposits or membership
16 shares of \$100,000 or less, technical assistance, or
17 grants for technical assistance, shall be matched by
18 no less than \$1 of equity, deposits, or membership
19 shares for each dollar provided by the Fund.

20 “(2) OTHER FORMS OF ASSISTANCE.—

21 “(A) GENERAL RULE.—The Fund shall re-
22 quire a match for all other assistance, the
23 amount and form of which shall be in the dis-
24 cretion of the Fund.

1 “(B) EXCEPTION.—The Fund shall in no
2 event require assistance provided in the form of
3 deposits or membership shares of \$100,000 or
4 less, technical assistance, or grants for technical
5 assistance to be matched.

6 “(C) LEGALLY ENFORCEABLE COMMIT-
7 MENTS REQUIRED.—The Fund shall provide no
8 assistance except technical assistance or grants
9 for technical assistance until a qualified com-
10 munity development financial institution has se-
11 cured legally enforceable commitments for the
12 entire match required.

13 “(D) FORM OF PAYMENT.—Assistance
14 may be provided in one lump sum, or over a pe-
15 riod of time, as determined by the Fund.

16 “(3) MATCH REQUIREMENT.—Assistance shall
17 be matched with funds from sources other than the
18 Federal Government.

19 “(f) TERMS AND CONDITIONS.—

20 “(1) IN GENERAL.—The Fund shall provide as-
21 sistance authorized under this Act in such form and
22 subject to such restrictions as are necessary to en-
23 sure that to the maximum extent practicable—

24 “(A) all assistance granted is used by the
25 qualified community development financial in-

1 stitution in a manner consistent with the pur-
2 poses of this Act;

3 “(B) qualified community development fi-
4 nancial institutions receiving assistance that are
5 not otherwise regulated by the Federal Govern-
6 ment or by a State government are financially
7 and managerially sound;

8 “(C) assistance results in a net increase,
9 both nationally and in the local communities in
10 which assistance is provided, in capital, credit,
11 and development services; and

12 “(D) assistance is provided in a manner
13 that encourages affiliations and partnerships
14 between insured depository institutions, second-
15 ary markets or other sources of credit or lever-
16 age and local organizations dedicated to com-
17 munity development.

18 “(2) CONSULTATION WITH BANKING REGU-
19 LATORS.—Prior to providing assistance to a quali-
20 fied insured community development financial insti-
21 tution, the Board should consult with the appro-
22 priate Federal banking agency or, in the case of an
23 insured credit union, the National Credit Union Ad-
24 ministration.

25 “(3) ASSISTANCE AGREEMENT.—

1 “(A) RESTRICTIONS ON USE OF ASSIST-
2 ANCE.—The Board shall impose restrictions on
3 the use of assistance provided by the Fund
4 through the use of a stock purchase agreement,
5 share purchase agreement, or through a con-
6 tract entered into in consideration for the provi-
7 sion of assistance.

8 “(B) PERFORMANCE GOALS.—

9 “(i) IN GENERAL.—Any agreement or
10 contract relating to the provision of assist-
11 ance shall require the institution assisted
12 to comply with performance goals.

13 “(ii) NEGOTIATION OF GOALS.—The
14 performance goals shall be negotiated be-
15 tween the Board and each qualified com-
16 munity development financial institution
17 receiving assistance based upon the strate-
18 gic plan submitted pursuant to section
19 236(b)(5).

20 “(iii) RENEGOTIATION.—The perform-
21 ance goals may be renegotiated jointly as
22 appropriate, subject to subparagraph (C).

23 “(iv) DETERMINATION OF ACTIVITY
24 LEVELS.—Activity levels for insured com-
25 munity development financial institutions

1 should be determined by the Board in con-
2 sultation with the appropriate Federal
3 banking agency or, in the case of an in-
4 sured credit union, with the National Cred-
5 it Union Administration.

6 “(C) SANCTIONS.—

7 “(i) IN GENERAL.—The agreement or
8 contract relating to the provision of assist-
9 ance shall specify sanctions available to the
10 Board, in the Board’s discretion, in the
11 event of noncompliance with the purposes
12 of the assistance or the terms of the agree-
13 ment.

14 “(ii) SANCTIONS AVAILABLE.—The
15 sanctions available for purposes of clause
16 (i) may include revocation of approval of
17 the application, terminating or reducing
18 future assistance, requiring repayment of
19 assistance, and requiring changes to the
20 performance goals imposed pursuant to
21 subparagraph (B) or to the strategic plan
22 submitted pursuant to section 236(b)(5).

23 “(iii) CONSULTATION WITH OTHER
24 AGENCIES.—In the case of an insured com-
25 munity development financial institution,

1 the Board shall consult with the appro-
2 priate Federal banking agency or, in the
3 case of an insured credit union, the Na-
4 tional Credit Union Administration, before
5 imposing sanctions pursuant to this para-
6 graph.

7 “(4) REVIEW.—At least annually, the Board
8 shall review the performance of each assisted quali-
9 fied community development financial institution in
10 carrying out the applicant’s strategic plan and per-
11 formance goals.

12 “(5) REPORTING.—The Board shall require
13 each qualified community development financial in-
14 stitution receiving assistance to submit an annual
15 report to the Fund on the applicant’s activities, fi-
16 nancial condition, success in meeting performance
17 goals, and compliance with other requirements of
18 this Act.

19 “(g) AUTHORITY TO SELL EQUITY INVESTMENTS
20 AND LOANS.—The Board may—

21 “(1) sell any investments or loan asset held by
22 the Fund; and

23 “(2) in the Board’s discretion, retain the power
24 to enforce limitations on assistance entered into in
25 accordance with the requirements of this section.

1 “(h) RULE OF CONSTRUCTION—No provision of this
2 Act shall be construed as affecting any authority of the
3 appropriate Federal banking agency or, in the case of an
4 insured credit union, the National Credit Union Adminis-
5 tration, to supervise and regulate an insured community
6 development financial institution.

7 **“SEC. 239. RECORDKEEPING, REPORTS, AUDITS; AND IN-**
8 **VESTMENTS.**

9 “(a) RECORDKEEPING.—

10 “(1) IN GENERAL.—A qualified community de-
11 velopment financial institution receiving assistance
12 from the Fund shall keep such records as may be
13 reasonably necessary to disclose the disposition of
14 any assistance under this Act and to ensure compli-
15 ance with the requirements of this Act.

16 “(2) FUND ACCESS TO RECORDS.—The Fund
17 shall have access, for the purpose of determining
18 compliance with this Act, to any books, documents,
19 papers, and records of a qualified community devel-
20 opment financial institution receiving assistance
21 from the Fund that are pertinent to assistance re-
22 ceived under this Act.

23 “(b) REPORTS.—

24 “(1) ANNUAL REPORT.—

1 “(A) REPORT REQUIRED.—The Fund shall
2 conduct an annual evaluation of the activities
3 carried out pursuant to this Act and shall sub-
4 mit a report of its findings to the President
5 within 120 days of the end of each fiscal year
6 of the Fund.

7 “(B) CONTENTS.—The report shall include
8 financial statements audited in accordance with
9 subsection (c).

10 “(2) INSTITUTIONAL VOICE FOR COMMUNITY
11 DEVELOPMENT.—

12 “(A) ONGOING STUDY.—The fund shall
13 conduct, or cause to be conducted, an ongoing
14 study to identify and evaluate the most effective
15 and financially sound policies and practices for
16 encouraging investment in distressed commu-
17 nities, including small business and commercial
18 lending, business formation and expansion,
19 community and economic development, commer-
20 cial real estate and multifamily housing, and
21 home mortgages. In addition, the Fund may
22 study, or cause to be studied, related matters,
23 such as identification of sources of and access
24 to capital and loans for community investment;
25 development of secondary markets for economic

1 and community development, small business
2 and commercial loans, and home mortgage
3 loans and investments; and methods to involve
4 all segments of the financial services industry in
5 community development.

6 “(B) CONSULTATION.—In the conduct of
7 the study, the Fund shall consult, or cause con-
8 sultation with, the Office of the Comptroller of
9 the Currency, the Federal Deposit Insurance
10 Corporation, the Board of Governors of the
11 Federal Reserve System, the Federal Housing
12 Finance Board, the Farm Credit Administra-
13 tion, the Office of Thrift Supervision, the Na-
14 tional Credit Union Administration, community
15 reinvestment, civil rights, consumer and finan-
16 cial organizations, and such representatives of
17 agencies or other persons as the Fund may de-
18 termine.

19 “(C) REPORTS.—

20 “(i) INITIAL REPORT.—Within 270
21 days after the date of enactment of the
22 Bank Enterprise Act Amendments of
23 1993, the Board shall report to the Presi-
24 dent its initial findings and recommenda-

1 tions regarding the matters set forth in
2 subparagraph (A).

3 “(ii) SUBSEQUENT REPORTS.—After
4 the report required under clause (i), the
5 Board shall report its findings and rec-
6 ommendations to the President with the
7 annual report required by subsection
8 (b)(1).

9 “(3) INVESTMENT, GOVERNANCE, AND ROLE OF
10 FUND.—After the end of the 6-year period beginning
11 on the date of the enactment of the Bank Enterprise
12 Act Amendments of 1993, the Fund, in accordance
13 with the procedures described in subparagraphs (A)
14 and (B) of paragraph (2), shall conduct a study
15 evaluating the structure, governance, and perform-
16 ance of the Fund. The study shall be submitted to
17 the President. Such study shall include an evaluation
18 of the overall performance of the Fund in meeting
19 the purposes of this Act and any recommendations
20 of the Fund for restructuring the Board, altering
21 procedures under which the Fund is governed, the
22 future role of the Fund in addressing community de-
23 velopment, and the ability of the Fund to become a
24 private, self-sustaining entity capable of fulfilling the
25 purposes of this Act.

1 “(c) INVESTMENT OF RECEIPTS AND PROCEEDS.—

2 “(1) PROCEEDS DEPOSITED IN FUND.—Any
3 dividends on equity investments and proceeds from
4 the disposition of investments, deposits, or member-
5 ship shares and interest payments and loan principal
6 repayments that are received by the Fund as a re-
7 sult of assistance provided pursuant to section 238
8 shall be deposited and accredited to the Fund.

9 “(2) INVESTMENTS OF AMOUNTS IN THE
10 FUND.—The Secretary of the Treasury shall invest
11 amounts deposited in such account in public debt se-
12 curities with maturities suitable to the needs of the
13 Fund and bearing interest at rates determined by
14 the Secretary of the Treasury, taking into consider-
15 ation current market yields on outstanding market-
16 able obligations of the United States of comparable
17 maturities.

18 “(3) AVAILABILITY OF AMOUNTS.—Amounts
19 deposited into the account and interest earned on
20 such amounts pursuant to this section shall be avail-
21 able to the Fund until expended.”

22 (b) ADDITIONAL BOARD MEMBERS.—Section
23 233(d)(2) of the Bank Enterprise Act of 1991 (12 U.S.C.
24 1834a(d)(2)) is amended—

1 (1) by striking “5 members” and inserting “7
2 members”; and

3 (2) by redesignating subparagraph (D) as sub-
4 paragraph (F) and inserting after subparagraph (C)
5 the following new subparagraphs:

6 “(D) The Secretary of Agriculture.

7 “(E) The Administrator of the Small Busi-
8 ness Administration.”.

9 (c) EFFECTIVE DATE OF REGULATIONS.—The
10 Board shall prescribe regulations necessary to implement
11 the amendments made by subsection (a) not later than
12 210 days after enactment of this Act.

13 (d) TECHNICAL AND CONFORMING AMENDMENT.—
14 Section 8E(a)(2) of the Inspector General Act of 1978 (5
15 U.S.C. App. 3, 8E(a)(2)) is amended by inserting “the
16 Community Enterprise Assessment Credit Board,” imme-
17 diately after “the Commodity Futures Trading Commis-
18 sion”.

19 **SEC. 102. CREDITS FOR NEWLY CHARTERED COMMUNITY**
20 **DEVELOPMENT BANKS.**

21 (a) IN GENERAL.—Section 233(a) of the Bank En-
22 terprise Act of 1991 (12 U.S.C. 1834a(a)) is amended by
23 redesignating paragraphs (3), (4), (5), and (6) as para-
24 graphs (4), (5), (6), and (7) and by inserting after para-
25 graph (2) the following new paragraph:

1 “(3) NEWLY CHARTERED COMMUNITY DEVEL-
2 OPMENT BANKS.—Notwithstanding paragraph (2),
3 any insured depository institution chartered as a
4 community development bank in accordance with the
5 requirements of section 234(b) of this Act shall be
6 eligible for any community enterprise assessment
7 credit for the 1st 6 semiannual periods which begin
8 after the date of the approval of the initial charter
9 of such insured depository institution by the appro-
10 prium Federal banking agency or State bank super-
11 visor.”.

12 (b) CONFORMING AMENDMENT.—Section
13 233(a)(1)(B) of the Bank Enterprise Act of 1991 (12
14 U.S.C. 1834a(a)(1)(B)) is amended by striking “para-
15 graph (3)” and inserting “paragraph (4)”.

16 **SEC. 103. FINANCIAL SERVICES FOR DISTRESSED COMMU-**
17 **NITIES.**

18 (a) BANK ENTERPRISE ACT.—The Bank Enterprise
19 Act of 1991 is amended by inserting after section 239 (as
20 added by section 101 of this title) the following new sec-
21 tion:

22 **“SEC. 240. FINANCIAL SERVICES FOR DISTRESSED COMMU-**
23 **NITIES.**

24 “(a) DISTRESSED COMMUNITIES LACKING INSUR-
25 ANCE SERVICES.—

1 “(1) IN GENERAL.—With the approval of the
2 appropriate Federal banking agency and notwith-
3 standing any provision of the law of any State to the
4 contrary, any insured depository institution which is
5 located in (or maintains a full service branch located
6 in) a qualified distressed community may sell prop-
7 erty and casualty insurance, as agent or broker, to
8 the extent—

9 “(A) the insurance activities are confined
10 to that community; and

11 “(B) the insurance is sold only to residents
12 of the community or individuals employed with-
13 in such community.

14 “(2) CERTAIN ACTIVITIES PROHIBITED IN CON-
15 NECTION WITH INSURANCE ACTIVITIES.—No insured
16 depository institution which sells insurance pursuant
17 to paragraph (1) may—

18 “(A) assume or guarantee the payment of
19 any premium on any insurance policy issued
20 through the agency of the institution by the in-
21 surance company for which the institution is
22 acting as agent; or

23 “(B) guarantee the truth of any statement
24 made by an insurance customer in filing such
25 customer’s application for insurance.

1 “(3) SHOWING OF UNAVAILABILITY OF INSUR-
2 ANCE SERVICES.—The appropriate Federal banking
3 agency may approve an application by an insured
4 depository institution to sell insurance under para-
5 graph (1) in any qualified distressed community only
6 if the institution provides sufficient evidence that the
7 availability of insurance agents providing competi-
8 tively priced products in the community is inad-
9 equate.

10 “(4) DEFINITIONS.—For purposes of this sub-
11 section—

12 “(A) APPROPRIATE FEDERAL BANKING
13 AGENCY.—The term ‘appropriate Federal bank-
14 ing agency’ has the meaning given to such term
15 in section 3(q) of the Federal Deposit Insur-
16 ance Act.

17 “(B) QUALIFIED DISTRESSED COMMU-
18 NITY.—The term ‘qualified distressed commu-
19 nity’ has the meaning given to such term in sec-
20 tion 233(b).”.

21 (b) BANK ELIGIBLE SECURITIES.—The clause des-
22 ignated the “Seventh” of section 5136 of the Revised Stat-
23 utes (12 U.S.C. 24) is amended by adding at the end the
24 following new sentence: “Subject to the approval of the
25 appropriate Federal banking agency (as defined in section

1 3(q) of the Federal Deposit Insurance Act, and to such
2 limitations as may be prescribed by regulation, any well
3 capitalized national bank which is located in (or maintains
4 a full service branch located in) a qualified distressed com-
5 munity (as defined in section 233(b) of the Bank Enter-
6 prise Act of 1991) may purchase for its own account, deal
7 in, or underwrite securities issued by any small business
8 located in such community.”.

9 (c) SAVINGS ASSOCIATIONS.—Section 5(c)(1) of the
10 Home Owners’ Loan Act (12 U.S.C. 1464(c)(1)) (as pre-
11 viously amended herein) is amended by inserting at the
12 end the following:

13 “(T) THRIFT ELIGIBLE SECURITIES.—
14 Subject to the approval of the Director and to
15 such limits as may be prescribed by regulation,
16 any well capitalized savings association which is
17 located in (or maintains a full service branch lo-
18 cated in) a qualified distressed community (as
19 defined in section 233(b) of the Bank Enter-
20 prise Act of 1991) may purchase for its own ac-
21 count, deal in, or underwrite securities issued
22 by any small business located in such commu-
23 nity.”.

1 **SEC. 104. BANK ENTERPRISE ACT ENHANCEMENTS.**

2 (a) QUALIFIED DISTRESSED COMMUNITIES.—Sec-
3 tion 233(b)(1)(B) of the Bank Enterprise Act of 1991 is
4 amended to read as follows:

5 “(B) is designated as a distressed commu-
6 nity by—

7 “(i) the Board; or

8 “(ii) any insured depository institu-
9 tion in accordance with paragraph (2) if
10 such designation by an insured depository
11 institution is not disapproved by the appro-
12 priate Federal banking agency under such
13 paragraph.”

14 (b) RURAL DISTRESSED AREAS.—Section 233(b) of
15 the Bank Enterprise Act of 1991 is amended by inserting
16 at the end the following:

17 “(5) QUALIFIED DISTRESSED RURAL AREAS.—

18 “(A) IN GENERAL.—Notwithstanding para-
19 graph (4), the Board shall establish independ-
20 ent criteria for a distressed rural area to be eli-
21 gible as a qualified distressed community under
22 this subsection.

23 “(B) FACTORS.—In establishing the cri-
24 teria for a distressed rural area to be eligible as
25 a ‘qualified distressed community’ under this

1 subsection, the factors considered by the Board
2 shall include the following factors:

3 “(i) Population (as determined by the
4 most recent census data available).

5 “(ii) State of distress.

6 “(iii) Size.

7 “(iv) Unemployment rate.

8 “(v) Poverty rate.

9 “(vi) Job loss.

10 “(vii) Out-migration.”.

11 (c) EXPANDED QUALIFIED LOANS AND FINANCIAL
12 ASSISTANCE.—Section 233(a)(4) of the Bank Enterprise
13 Act of 1991 is amended by inserting at the end the follow-
14 ing new subparagraphs:

15 “(L) Extensions of credit to small busi-
16 nesses located within a qualified distressed com-
17 munity.

18 “(M) Consumer education programs either
19 sponsored or offered by insured depository in-
20 stitutions that provide assistance to residents of
21 qualified distressed communities in managing
22 their personal finances.

23 “(N) Technical assistance and consulting
24 services to newly formed small businesses lo-
25 cated in qualified distressed communities.

1 “(O) Technical assistance to, or servicing
2 the loans of, low- or moderate-income home-
3 owners, and homeowners located in qualified
4 distressed communities.

5 “(P) Extensions of credit for activities
6 which qualify for advances from a Federal home
7 loan bank under a community investment pro-
8 gram established by the bank pursuant to sec-
9 tion 10(i) of the Federal Home Loan Bank
10 Act.”

11 (d) PRIORITY OF FUNDING.—Section 233 of the
12 Bank Enterprise Act of 1991 is amended by redesignating
13 subsection (g) as subsection (h) and inserting after sub-
14 section (f) the following new subsection:

15 “(g) PRIORITY OF FUNDING.—In allocating funds for
16 the implementation of this section, the Board shall grant
17 a priority to qualified distressed communities designated
18 by the Board pursuant to section 233(b)(1)(B) and no less
19 than 25 percent of the funds authorized and appropriated
20 for the implementation of this section shall be allocated
21 by the Board to distressed rural areas that are determined
22 to be qualified distressed communities pursuant to section
23 233(b)(5).”.

24 (e) COMMUNITY DEVELOPMENT ORGANIZATIONS.—
25 Section 234(e) of the Bank Enterprise Act of 1991 is

1 amended by striking “institution,” and inserting “institu-
2 tion, nonprofit microloan lending organization licensed by
3 the Small Business Administration, development company
4 certified by the Small Business Administration, commu-
5 nity development financial institution,”.

6 (f) NONPROFIT, PRIVATE, COMMUNITY DEVELOP-
7 MENT CORPORATIONS—

8 (1) IN GENERAL.—Section 234(a)(1) of the
9 Bank Enterprise Act of 1991 (12 U.S.C.
10 1834b(a)(1)) is amended—

11 (A) by striking “or” at the end of subpara-
12 graph (C);

13 (B) by inserting “or” after the semicolon
14 at the end of subparagraph (D); and

15 (C) by adding at the end the following new
16 subparagraph:

17 “(E) invests in a nonprofit, private, com-
18 munity development corporation;”.

19 (2) NONPROFIT, PRIVATE, COMMUNITY DEVEL-
20 OPMENT CORPORATION REQUIREMENTS.—Section
21 234 of the Bank Enterprise Act of 1991 (12 U.S.C.
22 1834b) is amended by adding at the end the follow-
23 ing new subsection:

24 “(f) NONPROFIT, PRIVATE, COMMUNITY DE-
25 VELOPMENT CORPORATION REQUIREMENTS.—

1 “(1) IN GENERAL.—A private, nonprofit, com-
2 munity development corporation meets the require-
3 ment of this subsection if the corporation satisfies
4 the selection criteria and the performance require-
5 ments which the Board shall establish and admin-
6 ister.

7 “(2) PERFORMANCE REQUIREMENTS.—The per-
8 formance requirements established pursuant to para-
9 graph (1) shall include the following:

10 “(A) The corporation has received funding
11 from a Federal agency or department.

12 “(B) The lending and investments of the
13 corporation have been regulated by the Federal
14 agency providing the funding.

15 “(C) The corporation has satisfactorily met
16 the conditions of the funding.

17 “(D) The corporation has submitted an-
18 nual audits or other reports required by the
19 agency providing the funding.”.

20 (3) DEFINITION OF NONPROFIT, PRIVATE, COM-
21 MUNITY DEVELOPMENT CORPORATION.—Section
22 234(e) of the Bank Enterprise Act of 1991 (12
23 U.S.C. 1834b(e)) is amended by adding at the end
24 the following new paragraph:

1 “(6) NONPROFIT, PRIVATE, COMMUNITY DE-
 2 VELOPMENT CORPORATION REQUIREMENTS.—The
 3 term ‘private, nonprofit, community development
 4 corporation’ means a private, locally-initiated, non-
 5 profit corporation (or a private nonprofit affiliate of
 6 such a corporation) which—

7 “(A) meets the requirements of subsection
 8 (f);

9 “(B) is governed by a board consisting of
 10 residents and business and civic leaders of the
 11 community; and

12 “(C) sponsors enterprises which provide
 13 employment, housing, and business development
 14 opportunities for low- and moderate-income
 15 residents of a qualified distressed community
 16 and are designed to increase employment, hous-
 17 ing, and business opportunities in such commu-
 18 nity.”.

19 **TITLE II—BANK COMMUNITY** 20 **DEVELOPMENT INCENTIVES**

21 **SEC. 201. CRA CREDIT FOR COMMUNITY INVESTMENTS.**

22 (a) CRA CREDIT FOR COMMUNITY LENDING ACTIVI-
 23 TIES.—The Community Reinvestment Act of 1977 (12
 24 U.S.C. 2901 et seq.) is amended by adding at the end
 25 the following new section:

1 **“SEC. 809. PERFORMANCE RATING STANDARDS FOR CRA**
2 **CREDIT.**

3 “(a) PERFORMANCE RATING STANDARDS RE-
4 QUIRED.—

5 “(1) IN GENERAL.—Not later than 1 year after
6 the date of enactment of the Bank Enterprise Act
7 Amendments of 1993, the Financial Institutions Ex-
8 amination Council, in consultation with the Commu-
9 nity Enterprise Assessment Credit Board, individ-
10 uals representing regulated financial institutions,
11 consumers, community groups, and other interested
12 parties, shall establish performance rating standards
13 to assess the record of a regulated financial institu-
14 tion in meeting the credit needs of the institution’s
15 community, including low- and moderate-income
16 neighborhoods, for purposes of this title.

17 “(2) RATING METHODOLOGY.—The perform-
18 ance rating standards shall require—

19 “(A) a quantitative analysis of objective,
20 quantitative data which shall be used to meas-
21 ure the extent to which a regulated financial in-
22 stitution is committing financial and managerial
23 resources to community reinvestment activities
24 in relation to the institution’s total amount of
25 deposit liabilities; and

1 “(B) a qualitative analysis of subjective
2 factors which the Financial Institutions Exam-
3 ination Council determines are appropriate in
4 assessing a regulated financial institution for
5 purposes of this title, including the following
6 factors:

7 “(i) The regulated financial institu-
8 tion’s asset size and service area.

9 “(ii) Access to Federal programs.

10 “(iii) Economic conditions in the insti-
11 tution’s service area.

12 “(iv) Legal impediments.

13 “(v) The unique nature of any com-
14 munity reinvestment activity of the regu-
15 lated financial institution which may not
16 be accurately or adequately reflected in
17 amount of the institution’s investments.

18 “(vi) The community reinvestment ac-
19 tivities of any affiliate (as defined in sec-
20 tion 2(k) of the Bank Holding Company
21 Act of 1956) of the institution which is not
22 a regulated financial institution to the ex-
23 tent the consideration of such affiliate is
24 appropriate in assessing the community re-
25 investment activities of the institution.

1 “(vii) Any additional factors that rea-
2 sonably bear upon the institution’s ability
3 to meet the credit needs of the institution’s
4 service area, including low- and moderate-
5 income neighborhoods.

6 “(3) QUALIFIED INVESTMENTS AND ACTIVI-
7 TIES.—

8 “(A) IN GENERAL.—The Financial Institu-
9 tions Examination Council shall compile a list
10 of activities and investments which qualify as
11 community reinvestment activities for purposes
12 of this title and the relative weight which shall
13 be accorded to each type or category of such in-
14 vestment activities for purposes of paragraph
15 (2)(A).

16 “(B) CERTAIN ACTIVITIES AND INVEST-
17 MENTS INCLUDED.—The following activities
18 and investments shall qualify as community re-
19 investment activities for purposes of this title:

20 “(i) Any activity or investment of a
21 regulated financial institution which is
22 treated as a qualifying activity or invest-
23 ment under section 233(a) of the Bank
24 Enterprise Act of 1991 for purposes of
25 such Act.

1 “(ii) Any activity of a regulated finan-
2 cial institution which involves providing
3 lifeline accounts (as defined in section
4 232(a) of the Bank Enterprise Act of
5 1991).

6 “(iii) Any investment which—

7 “(I) is made by a regulated fi-
8 nancial institution or an affiliate of
9 any such institution in a community
10 development bank, community devel-
11 opment corporation, community devel-
12 opment credit union, or small business
13 investment corporation operating in
14 the regulated financial institution’s
15 delineated community; and

16 “(II) is consistent with safe and
17 sound banking practices.

18 “(4) PREINVESTMENT OPINION.—

19 “(A) PROCEDURES REQUIRED.—The Fi-
20 nancial Institutions Examination Council shall
21 establish procedures under which a regulated fi-
22 nancial institution can obtain a written opinion
23 of the appropriate Federal supervisory agency
24 on the qualification of a proposed activity or in-

1 vestment as a community reinvestment activity
2 for purposes of this title.

3 “(B) TIMELY OPINION REQUIRED.—In the
4 case of a request for an opinion under the pro-
5 cedures established pursuant to subparagraph
6 (A) with respect to a proposed activity or in-
7 vestment, the appropriate Federal financial su-
8 pervisory agency shall provide a written opinion
9 on whether such activity or investment may be
10 treated as a qualified community reinvestment
11 activity within 3 business days of the receipt of
12 the request.

13 “(b) REGULATIONS TO INCLUDE STANDARDS.—Each
14 appropriate Federal financial supervisory agency shall in-
15 clude the standards established under subsection (a) in the
16 regulations prescribed by the agency pursuant to this title.

17 “(c) ASSIGNED RATINGS.—The Federal financial su-
18 pervisory agencies shall base the assigned ratings required
19 under section 807(b)(2) on the standards established pur-
20 suant to subsection (a).”.

21 (b) TECHNICAL AND CONFORMING AMENDMENTS.—
22 Section 808(a) of the Community Reinvestment Act of
23 1977 (12 U.S.C. 2907(a)) is amended by striking “may
24 be a factor” and inserting “shall be considered and given
25 credit”.

1 **SEC. 202. CRA COMPLIANCE AND COMMUNITY DEVELOP-**
2 **MENT INVESTMENT ACTIVITIES.**

3 (a) IN GENERAL.—Section 804 of the Community
4 Reinvestment Act of 1977 (12 U.S.C. 2903) is amended—

5 (1) by striking “In connection with” and insert-
6 ing “(a) IN GENERAL.—Subject to subsection (b), in
7 connection with”; and

8 (2) by adding at the end the following new sub-
9 sections:

10 “(b) SAFE HARBOR FOR INSTITUTIONS WITH OUT-
11 STANDING RATINGS.—Notwithstanding subsection (a)(2),
12 an application for a deposit facility by a regulated finan-
13 cial institution in any year shall not be denied on the basis
14 of such institution’s compliance with this Act if such insti-
15 tution has received a 1 rating under section 807 in each
16 of the 3 years preceding such year.

17 “(c) DETERMINATION OF SERVICE AREA.—

18 “(1) CRITERIA AND PROCEDURES.—The Finan-
19 cial Institutions Examination Council shall establish
20 criteria and procedures for delineating the service
21 area of a regulated financial institution on the basis
22 of existing market conditions and local credit needs,
23 including the credit needs of low- and moderate-in-
24 come neighborhoods.

25 “(2) USE OF CRITERIA AND PROCEDURES.—
26 The delineation of the service area of a regulated fi-

1 nancial institution by the appropriate Federal finan-
2 cial supervisory agency for purposes of this title
3 shall be made in accordance with the criteria and
4 procedures established under paragraph (1).

5 “(3) RULE OF CONSTRUCTION.—Any reference
6 in this title to a regulated financial institution’s
7 community shall be considered to be a reference to
8 the service area delineated for such bank under this
9 subsection.”.

10 “(b) TECHNICAL AND CONFORMING AMEND-
11 MENTS.—Section 803 of the Community Reinvestment
12 Act is amended by inserting at the end the following:

13 “(5) DEPOSITORY INSTITUTION HOLDING COM-
14 PANY.—The term ‘depository institution holding
15 company’ has the same meaning given such term as
16 in section 3(w)(1) of the Federal Deposit Insurance
17 Act (12 U.S.C. 1813(w)(1)).

18 “(6) COMMUNITY DEVELOPMENT ORGANIZA-
19 TION, COMMUNITY DEVELOPMENT BANK, AND COM-
20 MUNITY DEVELOPMENT CORPORATION.—The terms
21 ‘community development organization’, ‘community
22 development bank’, and ‘community development
23 corporation’ have the meaning given to such terms
24 in section 234 of the Bank Enterprise Act of 1991.

1 “(7) COMMUNITY DEVELOPMENT CREDIT
2 UNION.—The term ‘community development credit
3 union’ has the same meaning given such term as in
4 section 101(1) of the Federal Credit Union Act.”.

5 **SEC. 203. COMMUNITY COMMENTS; REVIEW PROCEDURE.**

6 “(a) IN GENERAL.—Section 809 of the Community
7 Reinvestment Act of 1977 (12 U.S.C. 2906) (as added by
8 section 201 of this Act) is amended by adding at the end
9 the following new subsections:

10 “(d) COMMUNITY COMMENTS ON PERFORMANCE
11 RATING STANDARDS.—

12 “(1) NOTICE OF OPPORTUNITY REQUIRED.—
13 Before making any final determination with respect
14 to the proposed treatment of any activity or invest-
15 ment as a qualified community reinvestment, the Fi-
16 nancial Institutions Examination Council shall pub-
17 lish a notice in the Federal Register soliciting the
18 comments of any community group or other inter-
19 ested person.

20 “(2) COMMENTS CONSIDERED.—In making the
21 determination described in paragraph (1), the Fi-
22 nancial Institutions Examination Council shall con-
23 sider comments received pursuant to any solicitation
24 of comments under this subsection.”.

1 (b) REVIEW PROCEDURE FOR WRITTEN EVALUA-
2 TIONS.—

3 (1) IN GENERAL.—Section 807 of the Commu-
4 nity Reinvestment Act of 1977 (12 U.S.C. 2906) is
5 amended by adding at the end the following new
6 subsection:

7 “(d) REVIEW PROCEDURE.—

8 “(1) NOTICE.—Each appropriate Federal finan-
9 cial supervisory agency shall notify a regulated fi-
10 nancial institution of the completion of an evaluation
11 of the institution under subsection (a).

12 “(2) HEARING.—Any regulated financial insti-
13 tution may request a hearing for agency review, in
14 accordance with chapter 5 of title 5, United States
15 Code, of any evaluation prepared under this section
16 before the end of the 14-day period beginning on the
17 date the institution receives notice under paragraph
18 (1).”.

19 (2) TECHNICAL AND CONFORMING AMEND-
20 MENTS.—Section 807(b)(2) of the Community Rein-
21 vestment Act of 1977 (12 U.S.C. 2906(b)(2)) is
22 amended—

23 (A) in subparagraph (A), by striking “Out-
24 standing” and inserting “1, if the institution
25 has an outstanding”;

1 (B) in subparagraph (B), by striking “Satisfactory” and inserting “2, if the institution
2 has a satisfactory”;
3

4 (C) in subparagraph (C), by striking
5 “Needs to improve” and inserting “3, if the institution needs to improve its”;
6

7 (D) in subparagraph (D), by striking
8 “Substantial noncompliance” and inserting “4, if the institution is in substantial noncompliance”;
9 and
10

11 (E) by striking the closing quotation
12 marks before the period at the end of subparagraphs (A), (B), (C), and (D).
13

14 **SEC. 204. EXPEDITED PROCEDURES FOR COMMUNITY DEVELOPMENT CORPORATIONS.**
15

16 Section 4 of the Bank Holding Company Act of 1956
17 (12 U.S.C. 1843) is amended by inserting at the end the
18 following new subsection:

19 “(j) NOTICE PROCEDURES FOR COMMUNITY DEVELOPMENT CORPORATION ACTIVITIES.—
20

21 “(1) GENERAL NOTICE PROCEDURE.—No bank
22 holding company may acquire or retain ownership or
23 control of the shares of a community development
24 corporation as authorized pursuant to subsection (c)
25 of this section unless the company submits a written

1 notice of the proposed transaction or expansion not
2 less than 30 days before the date the proposed
3 transaction or expansion commences.

4 “(2) CONTENTS OF NOTICE.—The notice sub-
5 mitted to the Board shall contain such information
6 as the Board shall prescribe by regulation or by spe-
7 cific request in connection with a particular notice.

8 “(3) PROCEDURE FOR AGENCY ACTION.—A no-
9 tice filed under this subsection shall be deemed to be
10 approved by the Board unless, before the end of the
11 30-day period beginning on the date of the receipt
12 of a complete notice, the Board issues an order set-
13 ting forth the reasons for disapproval.

14 “(4) WAIVER.—Any activity of a community de-
15 velopment corporation authorized under subsection
16 (c) and subject to paragraph (1), may proceed prior
17 to the expiration of the disapproval period if the
18 Board issues a written notice of approval.

19 “(5) SHORTER PERIOD.—The Board may pro-
20 vide for a shorter period of time for notice under
21 this subsection if such action would produce benefits
22 to the public without adversely affecting the safety
23 and soundness of insured depository institutions.”.

1 **SEC. 205. COMMUNITY DEVELOPMENT INVESTMENT AC-**
2 **COUNTS.**

3 (a) NATIONAL BANKS.—Section 5136 of the Revised
4 Statutes of the United States (12 U.S.C. 24) is amended
5 by inserting at the end the following:

6 “Twelfth. Notwithstanding any other provision of
7 law, to organize, sponsor or underwrite securities issued
8 by companies that are registered as investment companies
9 under the Investment Company Act of 1940 to the extent
10 that such investment companies invest and trade only in
11 securities issued by companies located and primarily doing
12 business in qualified distressed communities as defined in
13 section 233(b) of the Bank Enterprise Act of 1991.”.

14 (b) SAVINGS ASSOCIATIONS.—Section 5(c)(1) of the
15 Home Owners’ Loan Act (12 U.S.C. 1464(c)(1)) is
16 amended by inserting at the end the following:

17 “(S) COMMUNITY DEVELOPMENT INVESTMENT
18 ACCOUNTS.—Notwithstanding any other provision of
19 law, to organize, sponsor or underwrite securities is-
20 sued by companies that are registered as investment
21 companies under the Investment Company Act of
22 1940 to the extent that such investment companies
23 invest and trade only in securities issued by compa-
24 nies located and primarily doing business in quali-
25 fied distressed communities as defined in section
26 233(b) of the Bank Enterprise Act of 1991.”.

1 **SEC. 206. ENHANCED PASSIVE INVESTMENTS AUTHORIZED**
2 **FOR COMMUNITY DEVELOPMENT ACTIVITIES.**

3 (a) IN GENERAL.—Section 4(c) of the Bank Holding
4 Company Act of 1956 (12 U.S.C. 1843(c)) is amended
5 by adding the following paragraph:

6 “(15) shares of any company located and pri-
7 marily doing business in a qualified distressed com-
8 munity as defined in section 233(b) of the Bank En-
9 terprise Act of 1991 to the extent that—

10 “(A) the total amount of the shares of
11 such company acquired or retained in accord-
12 ance with this paragraph (by the bank holding
13 company and any subsidiary of the bank hold-
14 ing company) does not exceed 25 percent of the
15 outstanding voting shares of the company;

16 “(B) the company is not under the oper-
17 ational control, directly or indirectly, of the
18 bank holding company;

19 “(C) the company does not engage in real
20 estate or real estate related activities not per-
21 missible for a national bank; and

22 “(D) the Board has been given notice by
23 the bank holding company of its intent to ac-
24 quire or retain the shares of such company in
25 accordance with this paragraph and has not
26 disapproved the acquisition within 45 days

1 based on a finding that such acquisition or re-
2 tention of shares would adversely affect the
3 safety and soundness of insured depository in-
4 stitution affiliates.”.

5 (b) CONFORMING AMENDMENT.—Section 2(a)(3) of
6 the Bank Holding Company Act of 1956 (12 U.S.C.
7 1841(a)) is amended by redesignating paragraphs (4), (5),
8 and (6) as paragraphs (5), (6), and (7), respectively, and
9 by inserting after paragraph (3) the following new para-
10 graph:

11 “(4) For the purpose of any proceeding under para-
12 graph (2)(C) or to which paragraph (5) applies, there shall
13 be a presumption that any company which owns, controls,
14 or has the power to vote not more than 25 percent of any
15 class of voting stock of any company as authorized by,
16 and in conformity with, section 4(c)(15) of this Act does
17 not control such company.”.

18 **SEC. 207. AWARDS PROGRAM.**

19 The Financial Institutions Examination Council shall
20 establish an annual awards program to publicly recognize
21 tangible examples of outstanding efforts by insured depos-
22 itory institutions to meet the credit needs of their commu-
23 nities.

1 **SEC. 208. QUALIFIED STOCK ISSUANCES FOR MINORITY**
2 **THRIFTS.**

3 Section 10(q) of the Home Owners' Loan Act (12
4 U.S.C. 1467a(q)) is amended—

5 (1) by striking “undercapitalized” each place
6 such term appears and inserting “eligible”;

7 (2) in paragraph (1)(F), by striking “has cap-
8 ital” and all that follows through the period and in-
9 serting “is adequately capitalized as determined
10 under section 38 of the Federal Deposit Insurance
11 Act.”;

12 (3) in paragraph (1)(G), by striking “not more
13 than 15” and inserting “less than 25”; and

14 (4) by striking subparagraphs (A) and (B) of
15 paragraph (4) and inserting the following new sub-
16 paragraphs:

17 “(A) that is undercapitalized (as deter-
18 mined under section 38 of the Federal Deposit
19 Insurance Act); or

20 “(B) that is a minority depository institu-
21 tion (as defined in section 308(b) of Financial
22 Institutions Reform, Recovery, and Enforce-
23 ment Act of 1989).”.

1 **TITLE III—HOUSING AND SMALL**
2 **BUSINESS FINANCE**

3 **SEC. 301. MEETING UNMET HOUSING AND COMMUNITY**
4 **CREDIT NEEDS THROUGH THE FEDERAL**
5 **HOME LOAN BANK SYSTEM.**

6 Section 10 of the Federal Home Loan Bank Act (12
7 U.S.C. 1430) is amended by adding at the end the follow-
8 ing new subsection:

9 “(k) MEETING UNMET HOUSING AND COMMUNITY
10 DEVELOPMENT NEEDS.—

11 “(1) IN GENERAL.—Subject to paragraph (2),
12 the Federal home loan banks may establish pro-
13 grams and engage in activities to meet housing fi-
14 nance and community development needs in quali-
15 fied distressed communities that cannot be met or
16 are not being met by the private sector of the econ-
17 omy.

18 “(2) NOTICE PROCEDURES.—

19 “(A) NOTICE REQUIREMENT.—A Federal
20 home loan bank may not engage in any new
21 program or activity under paragraph (1) with-
22 out providing the Board with written notice of
23 the proposed program or activity at least 30
24 days before the program or activity is proposed
25 to commence.

“(B) NOTICE OF DISAPPROVAL.—Any notice filed under this subsection shall be deemed to be approved by the Board unless, before the end of the 30-day period beginning on the date the Board receives a notice under subparagraph (A), the Board issues an order disapproving the program or activity and setting forth the reasons for disapproval.

“(C) APPROVAL BEFORE END OF PERIOD.—

“(i) IN GENERAL.—Any transaction or activity may commence before the expiration of any period for disapproval established under this paragraph if the Board issues a written notice of approval.

“(ii) SHORTER PERIODS BY REGULATION.—The Board may prescribe regulations which provide for no notice under this paragraph or for a shorter notice period with respect to particular programs or activities.”.

SEC. 302. GOVERNMENT SPONSORED ENTERPRISE PURCHASE GOALS.

(a) LOW- AND MODERATE-INCOME HOUSING GOALS.—Section 1332(a) of the Federal Housing Enter-

1 prises Financial Safety and Soundness Act of 1992 is
2 amended by adding at the end the following new sentence:
3 “The Secretary shall establish a separate specific goal
4 under this section for the purchase by each enterprise of
5 mortgages originated by community development organi-
6 zations as such term is described in section 234 of the
7 Bank Enterprise Act of 1991.”.

8 (b) SPECIAL AFFORDABLE HOUSING GOALS.—Sec-
9 tion 1333(a) of the Federal Housing Enterprises Finan-
10 cial Safety and Soundness Act of 1992 is amended by add-
11 ing at the end the following new sentence: “The Secretary
12 shall establish a separate specific goal under this section
13 for the purchase by each enterprise of mortgages origi-
14 nated by community development organizations as such
15 term is described in section 234 of the Bank Enterprise
16 Act of 1991.”.

17 (c) HOUSING GOALS FOR UNDERSERVED AREAS.—
18 Section 1334(a) of the Federal Housing Enterprises Fi-
19 nancial Safety and Soundness Act of 1992 is amended by
20 adding at the end the following new sentence: “The Sec-
21 retary shall establish a separate specific goal under this
22 section for the purchase by each enterprise of mortgages
23 originated by community development organizations as
24 such term is described in section 234 of the Bank Enter-
25 prise Act of 1991.”.

1 (d) ADDITIONAL REQUIREMENTS.—Section 1335 of
2 the Federal Housing Enterprises Financial Safety and
3 Soundness Act of 1992 is amended—

4 (1) by striking “and” at the end of paragraph
5 (3);

6 (2) by striking the period at the end of para-
7 graph (4) and inserting in lieu thereof “; and”; and

8 (3) by inserting at the end the following new
9 paragraph:

10 “(5) assist community development organiza-
11 tions (as such term is described in section 234 of the
12 Bank Enterprise Act of 1991) to develop the institu-
13 tional capacity to assist low- and moderate-income
14 families with the purchase of their first home.”.

15 **SEC. 303. QUALIFIED THRIFT LENDER TEST.**

16 Section 10(m)(4)(C)(ii) of the Home Owners’ Loan
17 Act (12 U.S.C. 1467a(m)(4)(C)(ii)) is amended by insert-
18 ing at the end the following subclause:

19 “(VII) Loans or extensions of
20 credit for the purchase, improvement,
21 or construction of churches, schools,
22 nursing homes or hospitals located
23 within, and loans or extensions of
24 credit for any purposes to any small
25 businesses located within, a qualified

1 distressed community as defined in
2 section 233(b) of the Bank Enterprise
3 Act of 1991.’’.

4 **SEC. 304. MICROLOAN GUARANTEE DEMONSTRATION PRO-**
5 **GRAM.**

6 (a) PURPOSES.—Section 7(m)(1)(A)(iii) of the Small
7 Business Act is amended by redesignating subclauses (II),
8 (III), and (IV) as subclauses (III), (IV), and (V), respec-
9 tively, and inserting after subclause (I) the following new
10 subclause (II):

11 “(II) to establish a model pro-
12 gram to determine the feasibility of
13 developing a private secondary market
14 for loans guaranteed under this sub-
15 section to enhance the availability of
16 credit to small business concerns for
17 working capital or the acquisition of
18 material, supplies, or equipment.’’.

19 (b) ESTABLISHMENT.—Section 7(m)(1)(B) of the
20 Small Business Act is amended by striking out “direct
21 loans” in clause (i), and inserting in lieu thereof the fol-
22 lowing: “loans (either directly or through agreements to
23 participate on a guaranteed basis)”;

24 (c) ELIGIBILITY FOR PARTICIPATION.—Section
25 7(m)(2)(B) of the Small Business Act is amended—

1 (1) in subparagraph (A), by striking “(10)”
2 and inserting in lieu thereof “(12)”; and

3 (2) in subparagraph (B), by striking the period
4 at the end and inserting in lieu thereof the following:
5 “or has demonstrated to the satisfaction of the Ad-
6 ministration a commitment to establish a microloan
7 program that includes intensive marketing, manage-
8 ment, and technical assistance to its borrowers.”.

9 (d) TERMS AND CONDITIONS.—Section 7(m)(3)(F)
10 of the Small Business Act is amended by adding the fol-
11 lowing new clause after clause (v):

12 “(vi) Notwithstanding any other re-
13 quirement of this subparagraph, the Ad-
14 ministration may provide such terms and
15 conditions, including interest rate require-
16 ments and percentage of guarantee but not
17 less than 90 percent, as it deems appro-
18 priate for purposes of making loan guaran-
19 tees under this subsection.”.

20 (e) PORTFOLIO REQUIREMENT.—Section 7(m)(6)(B)
21 of the Small Business Act is amended by inserting after
22 “practicable” the following: “and except as provided by
23 the Administration with regard to loan guarantees made
24 under this subsection”.

1 (f) MODEL PROGRAM TO ESTABLISH A SECONDARY
2 MARKET FOR GUARANTEED LOANS.—Section 7(m) of the
3 Small Business Act is amended by redesignating para-
4 graphs (10) and (11) as paragraphs (11) and (12), respec-
5 tively, and by inserting after paragraph (9) the following
6 new paragraph (10):

7 “(10) MODEL PROGRAM FOR ESTABLISHING A
8 SECONDARY MARKET FOR GUARANTEED LOANS.—
9 The Administration is authorized to establish a
10 model program to determine the feasibility of devel-
11 oping a private secondary market for loans guaran-
12 teed under this subsection (including the guarantee-
13 ing of locally originated loan pools) to enhance the
14 availability of credit to small business concerns for
15 working capital or the acquisition of material, sup-
16 plies, or equipment.”.

17 (g) REPORT TO CONGRESS.—Section 7(m)(11) of the
18 Small Business act (as redesignated by this section) is
19 amended—

20 (1) in subparagraph (F), by striking “and”
21 after the semicolon; and

22 (2) redesignating subparagraph (G) as subpara-
23 graph (H), and inserting after subparagraph (F) the
24 following new subparagraph (G):

1 “(G) a description of the loan guarantee
2 program, including the extent to which credit
3 may be made available to small businesses
4 through a private secondary market for small
5 business loan guarantees and the cost to the
6 Federal Government for making such guaran-
7 tees available; and”.

8 (h) DEFINITIONS.—Section 7(m)(12) of the Small
9 Businesses Act (as redesignated by this section) is amend-
10 ed—

11 (1) in clause (iii), by striking “or” after the
12 semicolon;

13 (2) by inserting after clause (iv), the following:

14 “(v) any insured depository institution
15 (as such term is defined in section 3(c)(2)
16 of the Federal Deposit Insurance Act);

17 “(vi) any insured credit union (as
18 such term is defined in section 101(7) of
19 the Federal Credit Union Act); or

20 “(vii) any community development or-
21 ganization (as such term is described in
22 section 234 of the Bank Enterprise Act of
23 1991).”.

TITLE IV—CREDIT UNION AMENDMENTS

SEC. 401. COMMUNITY DEVELOPMENT CREDIT UNIONS.

(a) Section 101(5) of the Federal Credit Union Act (12 U.S.C. 1752(5)) is amended by striking “in the case of a credit union serving predominantly low-income members (as defined by the Board)” and inserting “in the case of a community development credit union as defined in subsection (10)”.

(b) Section 101 of the Federal Credit Union Act (12 U.S.C. 1752) is amended by adding at the end the following:

“(10) In determining whether a State or Federal credit union may be treated as a community development credit union for purposes of this Act and the Community Development Credit Union Revolving Loan Fund Transfer Act, the Board may consider whether the institution—

“(A) serves predominantly members whose median household incomes are below 80 percent of the national median, or who make less than 80 percent of the average for all wage earners as established by the Bureau of Labor Statistics; or

1 “(B) serves predominately low- and mod-
2 erate-income minorities.”.

3 **SEC. 402. COMMUNITY DEVELOPMENT REVOLVING LOAN**
4 **FUND AND TECHNICAL ASSISTANCE.**

5 (a) Section 120 of the Federal Credit Union Act (12
6 U.S.C. 1766) is amended by striking subsection (k).

7 (b) The Federal Credit Union Act is amended by in-
8 serting after section 129 (12 U.S.C. 1772c) the following
9 new section:

10 **“SEC. 130. COMMUNITY DEVELOPMENT REVOLVING LOAN**
11 **FUND FOR CREDIT UNIONS.**

12 “(a) IN GENERAL.—Notwithstanding any other pro-
13 vision of law, the Board may exercise the authority grant-
14 ed to the Board by the Community Development Credit
15 Union Revolving Loan Fund Transfer Act, including any
16 additional appropriation made and earnings accrued, sub-
17 ject only to this section and to regulations prescribed by
18 the Board.

19 “(b) INVESTMENT OF FUND BALANCES.—

20 “(1) IN GENERAL.—The Board may invest
21 money in the Community Development Credit Union
22 Revolving Loan Fund which the Board determines is
23 not immediately needed for other purposes in securi-
24 ties issued by the Secretary of the Treasury under
25 chapter 31, of title 31, United States Code.

1 “(2) TREATMENT OF INTEREST.—Any interest
2 which accrues on any securities described in para-
3 graph (1) shall be deposited in and become a part
4 of the Fund.

5 “(c) MATCHING REQUIREMENTS AUTHORIZED.—The
6 Board may require that any loans made from the Fund
7 be matched by an increase in the number of shares in the
8 borrower credit union.

9 “(d) ALLOCATION OF INTEREST.—Interest earned by
10 the Fund may be allocated by the Board for technical as-
11 sistance to community development credit unions.”.

12 **TITLE V—CONSUMER** 13 **EDUCATION**

14 **SEC. 501. CONSUMER EDUCATION PROGRAMS.**

15 (a) IN GENERAL.—The appropriate Federal banking
16 agencies (as defined in section 3(q) of the Federal Deposit
17 Insurance Act) shall, to the extent practicable, encourage
18 insured depository institutions to offer or sponsor edu-
19 cational services for consumers residing in qualified dis-
20 tressed communities (as defined in section 233(b) of the
21 Bank Enterprise Act of 1991) located in the service area
22 of such institutions, relating to the financial products and
23 services offered by the institution.

24 (b) EDUCATIONAL SERVICES.—The educational serv-
25 ices sponsored or offered by insured depository institutions

1 as described in subsection (a) shall, to the extent prac-
2 ticable, include a course in personal finance designed for
3 persons in a qualified distressed community and such
4 course may include information related to the following:

5 (1) Consumer credit laws and consumer rights
6 and obligations.

7 (2) The credit process and how to obtain a
8 loan.

9 (3) The meaning and significance of entries on
10 a consumer report (as defined in section 603(d) of
11 the Fair Credit Reporting Act).

12 (4) Basic banking and personal finances.

13 (5) Development of an individual financial plan
14 and budget.

15 **SEC. 502. CREDIT REPORTS.**

16 (a) INSURED DEPOSITORY INSTITUTIONS.—Any in-
17 sured depository institution that sponsors or offers a
18 course for consumers residing in a qualified distressed
19 community as described in section 501(b) of the Bank En-
20 terprise Act Amendments of 1993 may, in its discretion
21 and to the extent practicable, report the names of any
22 consumer who completes such course to any consumer re-
23 porting agency (as defined in section 603(f) of the Fair
24 Credit Reporting Act) to which the institution regularly re-
25 ports credit information on consumers.

1 (b) CONSUMER REPORTING AGENCIES.—Any
2 consumer report furnished by a consumer reporting agen-
3 cy on any consumer residing in a qualified distressed com-
4 munity who has completed an educational course spon-
5 sored or offered by an insured depository institution as
6 described in section 501(b) of the Bank Enterprise Act
7 Amendments of 1993 may, to the extent practicable, in-
8 clude an indication of the completion of such course if the
9 consumer reporting agency has received notice of the
10 course completion from the institution.

11 **SEC. 503. CREDIT CARDS.**

12 Insured depository institutions are encouraged to
13 sponsor or offer courses for consumers residing in quali-
14 fied distressed communities as described in section 501(b)
15 of the Bank Enterprise Act Amendments of 1993, and at
16 their discretion and to the extent practicable, offer
17 consumer financial services otherwise available at such in-
18 stitution, including consumer credit card services, to such
19 consumers who complete such course and qualify for such
20 financial services.

21 **TITLE VI—COMMUNITY**
22 **DEVELOPMENT TASK FORCE**

23 **SEC. 601. TASK FORCE.**

24 (a) IN GENERAL.—The President shall appoint a
25 community development task force to review the progress

1 being made by the appropriate Federal agencies and in-
2 strumentalities in implementing the policies and programs
3 established by this Act and amendments made by this Act
4 and the Bank Enterprise Act of 1991.

5 (b) REPORT.—The community development task
6 force appointed under subsection (a) shall submit a report
7 to the Congress by the end of the 2-year period beginning
8 on the date of the enactment of this Act containing a de-
9 tailed summary of the task force's findings in connection
10 with the review conducted under subsection (a) and such
11 recommendations for legislative or administrative action
12 as the task force may determine to be appropriate.

13 (c) CHAIRPERSON.—The chairman of the Neighbor-
14 hood Reinvestment Corporation shall serve as the chair-
15 person of the community development task force.

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